

CHAPTER 3-04-03 COMPETENCE AND TECHNICAL STANDARDS

Section

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3-04-03-01. General standards. An accountant shall comply with the following standards as interpreted by the board.

1. **Professional competence.** An accountant shall undertake only those professional services which the accountant or the accountant's firm can reasonably expect to complete with professional competence.
2. **Due professional care.** An accountant shall exercise due professional care in the performance of professional services.
3. **Planning and supervision.** An accountant shall adequately plan and supervise the performance of professional services.
4. **Sufficient relevant data.** An accountant shall obtain sufficient relevant data to afford a reasonable basis for conclusions or recommendations in relation to any professional services performed.
5. **Forecasts.** An accountant shall not permit the accountant's name to be used in conjunction with any forecast of future transactions in a manner which may lend to the belief that the accountant vouches for the achievability of the forecast.

History: Amended effective November 1, 1982; July 1, 1991; March 1, 1995; October 1, 1999.

General Authority: NDCC 43-02.2-03

Law Implemented: NDCC 43-02.2-03

3-04-03-02. Auditing standards. An accountant shall not permit the accountant's name to be associated with financial statements in such a manner as to imply that the accountant is acting as an independent public accountant unless the accountant has complied with the applicable generally accepted auditing standards promulgated by the AICPA. Statements on auditing procedure issued by the AICPA auditing standards executive committee are, for the purposes of this section, considered to be interpretations of the generally accepted auditing standards. Departures from such statements or standards must be justified by those who do not follow them.

History: Amended effective November 1, 1982; March 1, 1995.

General Authority: NDCC 43-02.2-03

Law Implemented: NDCC 43-02.2-03

3-04-03-03. Accounting principles. An accountant shall not express an opinion that financial statements are presented in conformity with generally accepted accounting principles if such statements contain any departure from an accounting principle promulgated by the body designated by the AICPA to establish such principles which has a material effect on the statements taken as a whole, unless the accountant can demonstrate that due to unusual circumstances the financial statements would otherwise have been misleading. In such cases, the accountant's report must describe the departure, the approximate effects thereof, if practicable, and the reasons why compliance with the principle would result in a misleading statement.

General Authority: NDCC 43-02.2-03

Law Implemented: NDCC 43-02.2-03

3-04-03-04. Other technical standards. An accountant shall comply with other technical standards promulgated by bodies designated by the board to establish such standards, and departures therefrom must be justified by those who do not follow them.

History: Amended effective November 1, 1982.

General Authority: NDCC 43-02.2-03

Law Implemented: NDCC 43-02.2-03